

FEB 23 2010

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

PYRAMID LIFE INSURANCE COMPANY,

RESPONDENT.

CONSENT ORDER

CAUSE NO. C-1816

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Martin W. Swanson and Constitution Life Insurance Company, ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44-101.01, 44-135, 44-303 and §44-4047, et seq.
2. Respondent was licensed as a foreign insurance company under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Pyramid Life Insurance Company, Cause Number C-1816, on February 9, 2010. A copy of the petition was served upon Respondent at Respondent's address registered with the Department by certified mail, return receipt requested.
2. Respondent violated Neb. Rev. Stat. § 44-1525(12) (Reissue 2004) as a result of accepting applications for insurance from Maureen Regan ("Regan"), a licensed insurance

producer who did not hold an appointment with Respondent. In a November 6, 2009 letter from Marquette Life Insurance Company to the Department, Respondent admitted that Regan's appointment submission was rejected due to a non-valid Social Security Number, was subsequently rejected a second time, and was, according to Respondent, not corrected thus leaving Regan as a non-appointed producer with the Respondent's company. A subsequent letter from Pennsylvania Life Insurance Company, dated February 2, 2010, confirmed that Regan was also one of the writing agent/producers for Respondent. During the time frame in question, the following policies were issued on behalf of Respondent which denoted Regan as one of the writing agents:

- i. Policy #LF015461, transaction dates 7/24/2008 and 8/1/2008;
- ii. Policy #LF0155175, transaction dates 8/13/2008 and 9/8/2008;
- iii. Policy #LF0156123, transaction dates 9/3/2008 and 9/15/2008; and
- iv. Policy #O86021452, transaction dates 6/23/2008 and 7/1/2008.

3. Respondent was informed of their right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving their right to a public hearing, Respondent also waives their right to confrontation of witnesses, production of evidence, and judicial review.

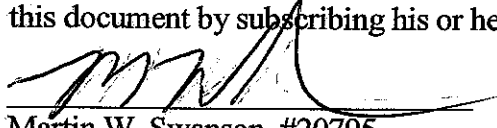
4. Respondent admits the allegations contained in the Petition that they violated Neb. Rev. Stat. §§ 44-1524 and 44-1525(12) (Reissue 2004).

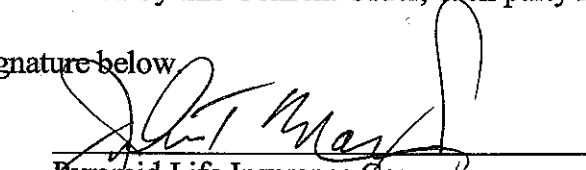
#### CONCLUSIONS OF LAW

It is the conclusion of the Director of Insurance that Respondent's conduct as alleged above constitutes multiple violations of Neb. Rev. Stat. §§ 44-1524 and 44-1525(12) (Reissue 2004).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, Pyramid Life Insurance Company, that they shall pay an administrative fine of no less than \$4,000 due within thirty days after the Director of Insurance or her designee approves and signs this Consent Order. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Respondent or the Department to make application for such further orders as may be necessary. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his or her signature below

  
Martin W. Swanson, #20795  
Attorney for Petitioner  
941 O Street, Suite 400  
Lincoln, NE 68508  
(402) 471-2201

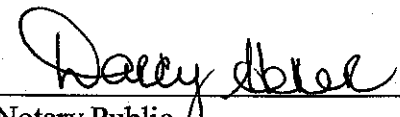
  
Pyramid Life Insurance Company,  
Respondent  
By: John T. Mackin

2/19/10  
Date

2-18-10  
Date

State of Florida )  
County of Seminole ) ss.

On this 18<sup>th</sup> day of February, 2010, John T. Mackin a representative of Pyramid Life Insurance Company, personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.

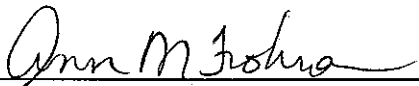
  
Notary Public

NOTARY PUBLIC-STATE OF FLORIDA  
Darcy Heller  
Commission #DD886841  
Expires: MAY 05, 2013  
BONDED THRU ATLANTIC BONDING CO., INC.

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Pyramid Life Insurance Company, Cause No. C-1816.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



Ann M. Frohman  
Director of Insurance

2/23/2010  
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was served upon Respondent by mailing a copy to Respondent's agent for service of process, Steve L. Carlton, 1001 Heathrow Park Lane, Suite 5001, Lake Mary, FL 32746, by certified mail, return receipt requested on this 23<sup>rd</sup> day of February.

